REMARKS

The Office Action dated January 19, 2007, has been received and carefully reviewed. The preceding amendments and the following remarks form a full and complete response thereto. Claims 3-4, 9-10, 16-17, 22-23, 29-30, 35-36, 40, 42, and 43 are amended as to matters of form. No new matter has been added. Claims 1-51 remain pending in this application and are submitted for reconsideration.

Claims 1, 6-8, 12-13, 19-21, 25-27, 40-41, and 47-51 were rejected under 35 U.S.C. § 103 as being unpatentable over U.S. Published Application 2003/0225660 to Noser et al. ("Noser"). Applicants respectfully traverse the rejection and submit that claims 1, 6-8, 12-13, 19-21, 25-27, 40-41, and 47-51 recite subject matter not shown or suggested by the cited reference.

Claim 1, upon which claims 2-13 depend, recites a method for creating a database, which includes a step of collecting security transaction data for a preselected period of time, for a plurality of institutional investors. The transaction data includes identity of securities being traded, transaction order sizes, execution prices and execution times. The method also includes a step of grouping the transaction data into a plurality of orders. The method also includes a step of calculating a plurality of cost benchmarks for each of the plurality of orders. The method also includes a step of estimating transaction costs for each institutional investor relative to the cost benchmarks. The method also includes a step of storing the data.

Claim 14, upon which claims 15-26 depend, recites a method for ranking security transaction cost performance relative to transaction costs of institutional investors. The method includes a step of collecting security transaction data for a preselected period

of time, for a plurality of institutional investors. The transaction data includes identity of securities being traded, transaction order sizes, execution prices, momentum and execution times. The method also includes steps of grouping the transaction data into a plurality of orders, calculating a plurality of cost benchmarks for each of the plurality of orders, estimating transaction costs for each institutional investor relative to the cost benchmarks, and ranking a first investment institution of the plurality of institutional investors against the plurality of investment institutions for at least one of a number of factors.

Claim 27, upon which claims 28-39 depend, recites a system for ranking security transaction cost performance relative to transaction costs of institutional investors which includes processing means for collecting security transaction data for a preselected period of time, for a plurality of institutional investors. The transaction data includes identity of securities being traded, transaction order sizes, execution prices, momentum and execution times. Processing means is further for grouping the transaction data into a plurality of orders, calculating a plurality of cost benchmarks for each of the plurality of orders, estimating transaction costs for each institutional investor relative to the cost benchmarks, and ranking a first institutional investor against the plurality of institutional investors for at least one of a number of factors. The system further includes storing means for receiving data from the processing means, storing the data, and making data available to the processing means.

Claim 40, upon which claims 41-51 depend, recites a system for ranking security transaction cost performance relative to transaction costs of institutional investors. The system includes a processing unit coupled with a network and configured to collect

security transaction data for a pre-selected period of time, for a plurality of institutional investors, to group the transaction data into a plurality of orders, to calculate a plurality of cost benchmarks for each of the plurality of orders, to estimate transaction costs for each order relative to the cost benchmarks, and to store the data in a database. The transaction data includes identity of securities being traded, transaction order sizes, execution prices, momentum and execution times. The system also includes a database unit coupled with the processing unit and configured to communicate with the processing unit, store data and making data available to the processing unit.

Noser is directed to systems and methods for analysis of portfolio returns and trade cost measurement based on fiduciary roles. See Title. Noser discloses methods for measuring actual trade costs within a measurement framework. See Abstract, paras. 0006-7 of Noser. The specification of Noser states "(in equations 1-211) ... the kernel-set calculations that form the base of a preferred calculation engine for trade cost measurement. The kernel-set provides the lowest granularity of calculations for trade-cost measurement." Para. 0279. Noser fails to disclose or suggest the estimation of transaction costs for a plurality of orders for a plurality of institutional investors relative to a plurality of benchmarks, as claimed in the present invetion. Noser merely focuses on calculating the actual costs of each agent (i.e., broker) involved with a particular transaction. As a result of the claimed invention, a plurality of benchmarks can be calculated on the orders grouped from a plurality of institutional investors making it possible to compare the transactional performance (e.g., estimated trading costs) of peer institutions. The system of Noser is incapable of making such a comparison.

Thus, Noser fails to disclose or suggest each and every feature of 1, 6-8, 12-13, 19-21, 25-27, 40-41, and 47-51. Accordingly, Applicants request that the rejection be withdrawn and that claims 1, 6-8, 12-13, 25-27, 40-41, and 47-51 be allowed.

Claims 2-5, 9-11, and 42-46 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Noser in view of the article, "Regression Percentiles Using Asymmetric Squared Error Loss," by Efron ("Efron"). Applicants respectfully traverse the rejection and submit that claims 2-5, 9-11, and 42-46 recite subject matter that is not shown or suggested by the combination of cited references.

As described above, Noser fails to disclose or suggest each and every feature of claims 1 and 40, upon which claims 2-5, 9-11, and 42-46 depend. Applicants submit that Efron fails to cure the deficiencies of Noser. Particularly, Efron does not disclose or suggest the estimation of transaction costs for a plurality of orders for a plurality of institutional investors relative to a plurality of cost benchmarks, as defined by the claims of the present invention. Thus, the combination of cited prior art fails to disclose each and every feature of claims 2-5, 9-11, and 42-46, and this rejection is improper. Accordingly, Applicants request that the rejection be withdrawn and that claims 2-5, 9-11, and 42-46 be allowed.

Claims 14, 19-21, 25-27, 32-34, and 38-39 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Noser in view of U.S. Pat. No. 7,016,872 to Bettis et al. ("Bettis"). Applicants respectfully traverse the rejection and submit that claims 14, 19-21, 25-27, 32-34, and 38-39 recite subject matter not shown or suggested by the combination of cited references.

As described above, Noser fails to disclose or suggest each and every feature of claims 14 and 27, upon which claims 15-26 and 28-39 depend. Applicants submit that Bettis fails to cure the deficiencies of Noser. In particular, Bettis relates to a method for determining a performance score for an investor for comparison with and ranking against other investors. The performance score is determined based upon the historical performance of the investment and does not relate to transaction costs for an institution. See Abstract of Bettis. Bettis does not disclose or suggest the estimation of transaction costs relative to a plurality of cost benchmarks as defined by the claims of the present invention. Therefore, Applicants submit that the combination of cited prior art fails to disclose or suggest each and every element of claims 14, 19-21, 25-27, 32-34, and 38-39 and the rejection is improper. Accordingly, Applicants request that the rejection be withdrawn and that claims 14, 19-21, 25-27, 32-34, and 38-39 be allowed.

Claims 15-18, 22-24, 28-31, and 35-37 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Noser in view of Bettis and in further view of Efron. Applicants respectfully traverse the rejection and submit that claims 15-18, 22-24, 28-31, and 35-37 recite subject matter not shown or suggested by the combination of cited references.

As described above, Noser, Bettis, and Efron do not disclose or suggest each and every feature of claims 14 and 27, upon which claims 15-26 and 28-39 depend. Therefore, for at least the same reasons, the rejection of claims 15-18, 22-24, 28-31, and 35-37 is improper. Accordingly, Applicants request that the rejection be withdrawn and that claims 15-18, 22-24, 28-31, and 35-37 be allowed.

In view of the foregoing, all rejections and objections have been sufficiently addressed. Accordingly, Applicants submit that claims 1-51 are in condition for allowance and request that a notice be timely issued indicating the same.

If for any reason the Examiner determines that the application is not now in condition for allowance, it is respectfully requested that the Examiner contact, by telephone, the Applicants' undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this application.

In the event that this paper is not timely filed, Applicants respectfully petition for an appropriate extension of time. Any fees for such an extension together with any additional fees may be charged to Counsel's Deposit Account No. 02-2135.

Respectfully submitted,

By /Brian A. Tollefson/

Brian A. Tollefson
Attorney for Applicants
Registration No. 46,338
ROTHWELL, FIGG, ERNST & MANBECK, p.c.
Suite 800, 1425 K Street, N.W.
Washington, D.C. 20005
Telephone: (202)783-6040
Facsimile: (202) 783-6031

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